



*United States Attorney
Southern District of New York*

**FOR IMMEDIATE RELEASE
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**OWNER OF CHATTANOOGA, TENNESSEE, CAR DEALERSHIPS
CHARGED WITH MULTIMILLION-DOLLAR INVESTMENT FRAUD**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that JOSEPH PREBUL, 48, of Signal Mountain, Tennessee, the President of Chattanooga-based Prebul Auto Group, and a member of the Board of Directors of CapitalMark Bank and Trust, was arrested this morning at his home by Criminal Investigators of the United States Attorney's Office on wire fraud charges. As alleged in the criminal Complaint unsealed today in Manhattan federal court:

PREBUL owned and operated a number of car dealerships in Georgia and Tennessee. Commencing in approximately 1995, PREBUL represented to a New York City investor, a relative of his, that an investment in an account held by PREBUL's car dealerships with Chrysler Financial Services Americas LLC would earn above-average interest rates, and that invested money would be liquid and accessible. PREBUL told the investor that PREBUL had to make the investment himself. As a result, the investor sent PREBUL millions of dollars over the years to be invested. In return, PREBUL occasionally caused statements or spreadsheets to be sent to the investor which falsely showed the investment earning money at a specified rate. PREBUL also occasionally returned the investor's money when requested during that period. But on multiple occasions in July and August 2008 when the investor demanded his money back, PREBUL refused. Around that time, there was approximately \$700,000 left in the purported investment account.

Records available for more recent years show that the money that the investor sent PREBUL was deposited into two accounts connected with PREBUL's car dealerships and was used to support PREBUL's failing car dealerships and for personal expenses, including private airplanes, family vacations, golf lessons and tournaments, and five-star hotel accommodations. PREBUL also drew on the investor's money to pay his salary and his and his wife's credit card bills.

PREBUL is expected to be presented this afternoon before a United States Magistrate Judge in Chattanooga federal court, in the Eastern District of Tennessee.

PREBUL is charged with eleven counts of wire fraud, each of which carries a maximum sentence of twenty years in prison and a maximum fine of the greater of \$250,000, or twice the gross gain or loss from the offense.

Mr. DASSIN praised the work of the Criminal Investigators of the United States Attorney's Office.

Assistant United States Attorneys REED M. BRODSKY and JENNIFER E. BURNS are in charge of the prosecution.

The charges and allegations contained in the Complaint are merely accusations and the defendant is presumed innocent unless and until proven guilty.

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